

Collectors and the copper crisis

By Roger Boye

THE RISING price of copper may not only force a change of the alloy in the Lincoln cent, but has also focused coin collectors' interest on the one-cent piece.

Some Chicago coin dealers say the entire Lincoln cent series has experienced increased collector interest in the last few weeks. And the prices of many Lincoln cents have also increased. For example, one U. S. coin dealer is selling several scarce and semiscarce date Lincoln cents for 30 per cent above his prices six months ago.

The price increases in "rare" Lincoln cents are higher than those of many other "rare" U. S. coins.

The attention on collecting

[and sometimes hoarding] Lincoln cents has been an outgrowth of the attention the Lincoln cent has been receiving in Washington.

In the last four months, the price of copper on the open market has gone up to \$1.20 a pound and more. [The Lincoln cent contains 95 per cent copper.] If the market price reaches \$1.50 a pound, it will be profitable to melt Lincoln cents and sell the copper.

Altho the Department of the Treasury has banned the exporting, melting, or treating of one-cent coins [using authority granted in a 1965 law], the U. S. Mint is examining proposed legislation to change the alloy in the Lincoln cent.

Some observers expect Congress to pass legislation authorizing the secretary of the treasury to reduce the copper content of the cent or switch to some other alloy or material, provided Congress is notified at least 60 days in advance and offers no opposition. This could result in a change in the composition of the Lincoln cent to 70 per cent copper and 30 per cent zinc alloy in 1975, some observers believe.

With 70 per cent copper [instead of the current 95], for example, the Mint could produce Lincoln cents at less expense. And the price of copper would have to reach \$2 a pound before it became profitable to melt the cent.

Earlier this year, the Mint

proposed making the cent with 95 per cent aluminum. However, the proposal was opposed by spokesmen for the vending machine industry who said an aluminum cent could cause difficulty in the operation of the machines. The Mint has apparently abandoned this proposal.

The rising price of copper has also created a shortage of Lincoln cents in some parts of the country. Altho it's illegal to melt them, the coins are, nevertheless, being hoarded by some people.

Coin collectors are quick to point out, however, that the hoarding is being done by speculators and not by true collectors or numismatists.